BRITISH COLUMBIA
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BCStats

Infoline

Contact: bcstats.infoline@gov.bc.ca *Issue: 11-19* *May 13, 2011*

- **Economy grows 4.0% in 2010**
- **Exports rebound in March**
- **Housing starts increase for first time since December**

The Economy

Note to Readers

Preliminary estimates of provincial GDP growth released by Statistics Canada on April 28 have been revised. The following bullets update the information originally released in the April 29 issue of Infoline.

- **British Columbia's economy bounced back in 2010, expanding 4.0% after posting a 1.8% decline in real GDP (chained 2002 dollars, measured at basic prices) in the previous year.** The recovery was broadly based, with both the goods and service sectors making significant gains. Growth in the service sector was the strongest since 2007. In the goods sector, 2010 marked the first time since 2006 that GDP has increased.

  A long decline in the forest sector finally came to an end in 2010. Forestry and logging expanded 21.9%, following a five-year-long downturn in this industry. The wood manufacturing industry grew 12.2%, while GDP in the paper industry increased a more modest 2.7%.

  Mining, oil and gas extraction activities rose 10.5% in 2010, largely on the strength of a resurgence in coal mining (+27.1%). The oil and gas extraction industry posted a smaller, but still significant 3.7% increase. Services related to oil and gas extraction, which include drilling and exploration activities, soared (+32.7%).

  The construction industry regained the ground lost in 2009, growing 11.3%.

  Manufacturing, which includes wood, paper, and other types of manufacturing activities rebounded (+5.1%) in 2010. Food manufacturing, a key industry in this group, posted a 4.7% gain.

  The transportation and warehousing industry grew 5.9%, boosted by increased activities related to the transport of both passengers and freight. The Olympics, held in February 2010, almost certainly contributed to the upturn in this industry, but it was also buoyed by more robust conditions in the rest of the economy.

  Accommodation and food services, another beneficiary of Olympic-related demand, expanded 3.5%, largely because of strong growth in the traveller accommodation industry (+8.4%). Most other service-producing industries also saw relatively robust growth in 2010.

  Data Source: Statistics Canada

- **BC's 4.0% growth rate was above the national average (+3.3%), but fell short of the expansions seen in Newfoundland (+6.0%), Saskatchewan (+4.4%) and two of the three northern territories.** After shrinking virtually across the board in 2009, every region posted an increase in real GDP during 2010.

  Data Source: Statistics Canada

- **The value of BC exports rebounded (+3.7% *seasonally adjusted*) in March mirroring the decline recorded in February (-3.7%).** Double-digit increases in shipments of forestry (+10.7%) and industrial & consumer (+11.2%) products were the major contributors to the boost in provincial exports. Agriculture & fishing (+1.5%) exports were also up, but energy (-6.4%) and automobile, machinery & equipment (-3.9%) products suffered decreases.

  US-bound goods were off (-1.9%) for the second straight month, while shipments to other destinations advanced (+8.0%). The slump in south-bound goods was mostly the result of declining energy (-19.4%) shipments.

Report **BC's Natural Gas Exports**

Did you know...

An estimated $700 to $800 million (US$) are lost every Friday the 13th because of people's refusal to travel, purchase major items or conduct business.

Source: American Stress Management Centre and Phobia Institute

Nationally, exports were higher (+3.5%) in March with nearly all principal commodity groups posting increases. Exports to the European Union (+21.6%) and the US (+1.9%) rose, offsetting the ground lost in other markets such as Japan (-9.0%).

Data Source: Statistics Canada & BC Stats

- **Housing starts in the province increased for the first time since December, rising 23.0% (seasonally adjusted) in April.** BC bucked the national trend, which saw the number of new housing starts drop 3.1% as new construction activity slowed in both Ontario (-9.0%) and Quebec (-10.9%), while Alberta posted a modest 1.4% increase.

  Data Source: Canada Mortgage and Housing Corporation

- **The cost of new housing in BC's biggest metropolitan areas continued to slip in March.** New house prices in Vancouver were 0.6% lower than in the same month last year, reflecting the effect of cheaper land (-1.3%), as well as slightly lower costs for housing (-0.1%). Victoria's New Housing Price Index (NHPI) was down 1.2% in March, as both house (-0.9%) and land (-1.7%) costs exerted downward pressure.

  Nationally, the NHPI advanced 1.9% during the twelve-month period ending in March. Regina (+6.1%) and St. John's (+6.2%) posted the largest increases, more than triple that of the Canadian average. *Data Source: Statistics Canada*

- **The number of new motor vehicles sold in British Columbia stalled in March, (-0.2% *seasonally adjusted*), following two months of increases.** Most other provinces registered higher sales, with New Brunswick (+13.5%) and PEI (+10.0%) leading the pack. Overall, new motor vehicle sales in Canada accelerated 2.0% in March. *Data Source: Statistics Canada*

Agriculture

- **The area in BC dedicated to growing greenhouse products expanded in 2010, reaching over 55 million square feet.** Sales of greenhouse, sod and nursery products grown in the province exceeded $560 million last year, up from just under $523 million in 2009. BC's greenhouse industry is the second largest in the country, after Ontario, where sales reached $1.4 billion in 2010. The national total was $2.5 billion. In BC, fruits and vegetables (primarily tomatoes, peppers and cucumbers) accounted for the biggest share of total revenues, whereas in most other parts of the country, ornamental plants and flowers dominate greenhouse sales. Greenhouse fruit & vegetable sales by BC producers were valued at $251 million in 2010.

  Data Source: S.C. Cat. #82-003-XIE

Pension Plans

- **Just over 6 million Canadians were members of registered pension plans (RPPs) in 2009, an increase of 0.2% over 2008.** The slight climb came entirely from the public sector, where RPP membership rose 2.6% (to 3,026,400). Meanwhile, the private sector saw the number of members decrease (-2.1% to 2,997,300), such that membership in the public sector accounted for more than half (50.2%) of the total membership in RPPs for the first time on record. By comparison, a decade ago, public sector plans represented just 46% of total membership. Women accounted for two-thirds of the increase in RPP membership in the public sector in 2009. As of January 1, 2010, women represented 62% of membership in the public sector.

  The RPP coverage rate (the percentage of employees covered by RPPs) was 39% in 2009, with just over 38% of male workers covered, compared to about 40% of their female counterparts. Coverage rates vary significantly between the private sector, where about a quarter of employees are members of an RPP, and the public sector, where the majority have pension coverage. *Data Source: Statistics Canada*

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For data originating from Statistics Canada, data sourced to 'Statistics Canada' has been retrieved from CANSIM, the agency's electronic database; otherwise the source is identified as 'SC' plus the catalogue number.

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First published in *Exports*, March 2011

BC's Natural Gas Exports

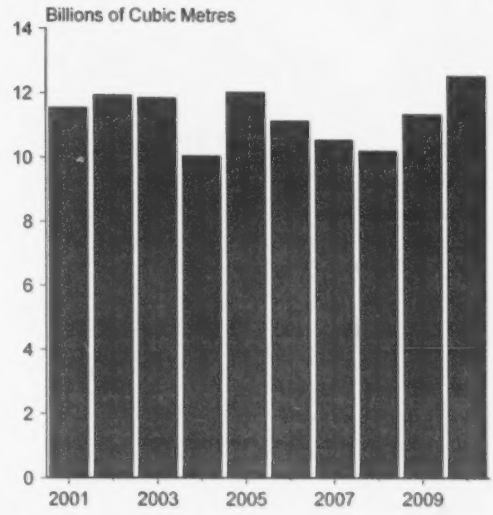
Natural gas has long been one of B.C.'s top exports, but in recent years, erratic pricing has affected the value of gas exported from the province. The quantity of natural gas exported from the province has shown some marginal fluctuations over the last decade, but on the whole, demand for B.C.'s natural gas has remained reasonably steady. However, due to some strong price swings, the value received for the natural gas exported from B.C. has undergone much more variation.

Natural gas prices spiked in 2005 when hurricanes Katrina and Rita disrupted the supply from the U.S. Gulf of Mexico. Prices fell for a couple of years after that before jumping up again in 2008 as record oil prices created demand for alternative energy supplies. In the last two years, prices have been trending down as new discoveries have increased the North American supply of gas and have created somewhat of a glut on the market.

Specifically, major discoveries of shale gas reserves, such as the one in the Horn River Basin in Northeast British Columbia, combined with technological improvements in extraction methods that have made it more economical to extract shale gas, have resulted in supply that exceeds the demand for gas in North America. Consequently, prices for natural gas have dropped sharply.

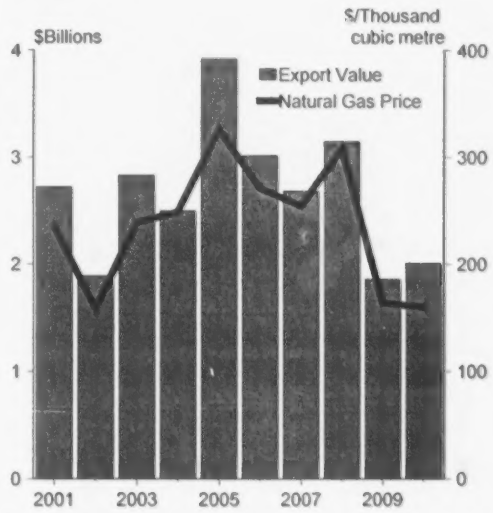
The problem for producers of natural gas is that in order to ship the commodity to destinations outside of North America, the gas has to first be liquefied. Currently, there is only one natural gas liquefaction facility in North America and that facility is set to close later this year.

The quantity of natural gas exported from BC has remained fairly steady over the last decade...



Source: Statistics Canada

...but the price of natural gas has varied significantly, which has affected the value of natural gas exports



Source: Statistics Canada

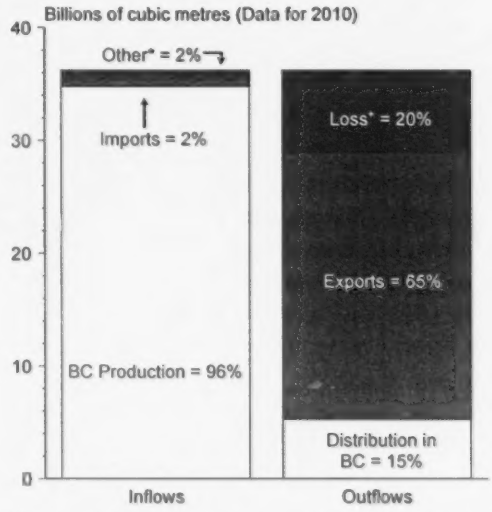
The facility in Alaska is fairly small and serves mainly the Japanese market. The plan is to shut the plant down in August. The reason given for the closure is competition from other suppliers, particularly Australia and Malaysia, which has driven the price below that needed to remain profitable. Once this plant closes, there will be no liquefied natural gas (LNG) export facilities remaining in North America. There are currently several import facilities, which are designed to "re-gasify" LNG, but no other liquefying facilities outside of the one in Alaska.

There are plans to build a new facility in Louisiana, as well as one in Kitimat, on BC's north coast. The proposed plant in Kitimat would be fed via a pipeline from the gas fields in the northeast. At the Kitimat facility, the gas would be compressed into liquid form to enable ocean transport, mainly to destinations in Asia. If built, the Kitimat plant would be the only LNG export facility on the west coast of North America (assuming the closure of the Alaska facility proceeds as planned).

The addition of an LNG export facility would expand the markets available to BC producers of natural gas. Currently, all gas exported from the province is destined for either the United States or Alberta. In 2010, about 34.8 billion cubic metres of natural gas were produced in British Columbia with an additional 1.4 billion cubic metres attained from imports or other sources.† Approximately 20% of the total 36.2 billion cubic metres was lost in the field, the plant or during distribution and export. Only 15% of the gas was distributed within the province and remaining 65% was exported. About 58% of exports were to the United States, with the remainder piped to Alberta.

† The source of production and distribution data is the BC Ministry of Energy and Mines.

Most of the natural gas produced in BC is exported either to the United States or Alberta



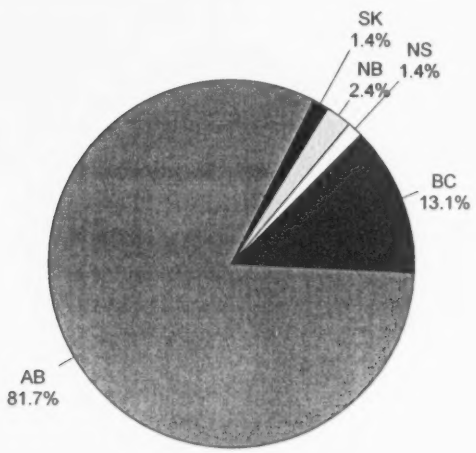
* Other includes gas retrieved from storage and other miscellaneous inputs
* Loss includes field losses (i.e., flaring & meter differences) and loss during distribution and export

Source: Ministry of Energy and Mines

Although a fairly large proportion of BC's gas is shipped there, Alberta is by far the most significant producer of natural gas in Canada. BC currently ranks well behind Alberta in terms of international exports (i.e., to the United States). In 2010, approximately 13% of the volume of natural gas exported to the US from Canada was sourced in British Columbia. Alberta was the source of most of the natural gas shipped to the US, with almost 82% of Canada's natural gas exports originating in that province. New Brunswick, Nova Scotia and Saskatchewan were responsible for just over 5% of the country's natural gas exports.

While an export facility in Kitimat would open up BC's markets for natural gas to overseas destinations and potentially increase the province's share of Canada's total natural gas exports, there is

BC ranked a distant second to Alberta in terms of volume of natural gas exports to the US in 2010



Source: Statistics Canada

some question as to whether or not such a facility would be able to compete with other gas exporters.

The fact that the LNG facility in Alaska is shutting down because it cannot compete with offshore gas producers may give pause to the proponents of the Kitimat plant, but the initial planned capacity for the Kitimat operation is more than three times the size of the Alaska plant, with plans to double that capacity in the future. The greater size could give Kitimat LNG more power to negotiate higher contracted prices compared to the Alaska plant. Nevertheless, there is growing competition from overseas as Australia, already a significant player in the LNG market, has more facilities coming online in the next few years.

There are some demand pressures that could boost the case for a new facility in Kitimat. Specifically, the recent earthquake in Japan that damaged some of the country's nuclear power plants has increased the demand for LNG as a replacement fuel. The problems at Japan's nuclear plants could also renew opposition to nuclear power worldwide, which may cause a shift toward natural gas as an energy alternative.

In addition, China is looking to reduce greenhouse gas emissions by moving away from using coal and switching to natural gas. India is another country with growing demand for LNG. Given the huge population that these two countries represent, there is the potential for substantial growth in demand for natural gas, which would certainly work in favour of Kitimat LNG. The decision on whether or not to go ahead with the Kitimat LNG facility will likely be made before the end of the year.

Given the increased production of shale gas in the US and the likelihood that American demand for imported gas will drop as a result, there could be a significant decline in BC's natural gas exports. An export facility that will enable overseas transport could help offset some of the drop in exports to the US by opening up new markets for BC's natural gas.

Statistics Canada's Workshop Series

Visit www.statcan.gc.ca for future workshops!

Introduction to Basic Statistics

Statistical measures such as percentages, averages, frequencies and standard errors are used widely. But how are they calculated, and exactly what do they tell us?

This one-day workshop will demonstrate the importance of understanding data and the most common sources available. The participants will gain familiarity with the basics on how to calculate a range of statistical measures, when, and how statistics should be used, and learn the fundamentals of sampling and hypothesis testing.

VANCOUVER

TUESDAY, MAY 31, 2011
8:30 AM - 4:30 PM

Library Square - Room 202
300 West Georgia Street
Vancouver, BC

WORKSHOP TOPICS INCLUDE:

- Understanding your data
- Descriptive statistics - Summarizing and describing your data
- Inferential statistics: Making generalizations from survey results
- Searching for relationships between variables

Register early as space is limited
Fee is $300 + HST

Early registration: $275 + HST

(Early bird registration until Tuesday, May 17, 2011)

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Learn from the Survey Experts! FT

Name: _____

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Cancellation Policy - Cancellations received in writing 7 business days prior to the start date of the workshop will receive a full refund. After that date no refunds will be made, but a one-time substitution will be permitted. Please advise the Workshop Coordinator 3 business days before the workshop for substitutions. However, if you do not cancel and do not attend, you will be charged the full registration fee and no substitutions will be made. Travel and accommodation expenses are the responsibility of the workshop participants

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Turning Statistics Into Stories

Join us for a one day workshop that will help you define your target audience, use statistics to present your story and put statistics into a context that your audience can understand.

This is a hands-on workshop in which participants will have the chance to practice what is being taught with simple exercises and a variety of examples from real data collected from Statistics Canada. Emphasis is put on how to define and approach your target audience and how to get your message across in five easy to follow steps. As a result, you will get your message out in the most effective manner.

VANCOUVER

WEDNESDAY
JUNE 1, 2011

8:30 AM - 4:30 PM

Library Square - Room 201
300 West Georgia Street

WORKSHOP TOPICS INCLUDE:

- Five steps of turning statistics into stories
- Methods of presenting data
- Determine the readership
- Sources of Data
- Standard classifications
- Statistical techniques: Adjustments
- Writing with numbers
- Use of graphs and charts

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Fee is $300 + HST

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BC at a glance . . .

POPULATION (thousands)	Jan 1/2011	% change on one year ago
BC	4,554.1	1.2
Canada	34,278.4	1.1
GDP and INCOME (Released Nov 4)		
(BC - at market prices)	2009	% change on one year ago
Gross Domestic Product (GDP) *($ millions)*	191,006	-3.4
GDP *($ 2002 millions)*	161,851	-1.8
GDP *($ 2002 per Capita) (reflects revised pop)*	36,287	-3.5
Personal Disposable Income *($ 2002 per Capita)*	25,374	-1.9
TRADE ($ millions, seasonally adjusted)		% change on prev. month
Manufacturing Shipments - Feb 2011	3,176	0.9
Merchandise Exports - Mar 2011	2,678	3.7
Retail Sales - Feb 2011	4,839	0.7
CONSUMER PRICE INDEX	% change on one year ago	12-month avg % change
(all items - Mar 2011)		
BC	3.1	1.8
Vancouver	3.0	2.1
Victoria	2.9	1.4
Canada	3.3	2.0
LABOUR FORCE (thousands)		% change on prev. month
(seasonally adjusted)	Apr 2011	
Jobs Created (-Lost) - BC	8.9	
Labour Force - BC	2,467.6	0.1
Employed - BC	2,272.9	0.4
Unemployed - BC	194.7	-2.6
		Mar 2011
Unemployment Rate - BC *(percent)*	7.9	8.1
Unemployment Rate - Canada *(percent)*	7.6	7.7
INTEREST RATES (percent)	May 11/2011	May 12/2010
Prime Business Rate	3.00	2.25
Conventional Mortgages - 1 year	3.70	3.70
- 5 year	5.69	6.10
US-CANADA EXCHANGE RATE	May 11/2011	May 12/2010
(avg. noon spot rate) Cdn $ per US $	0.9582	1.0201
(closing rate) US $ per Cdn $	1.0405	0.9806
AVERAGE WEEKLY WAGE RATE		% change on one year ago
(industrial aggregate - dollars)	Apr 2011	
BC	828.11	1.1
Canada	837.75	2.9

SOURCES:

Population, Gross Domestic Product, Trade, Prices, Labour Force, Wage Rate } Statistics Canada

Interest Rates, Exchange Rates: Bank of Canada Weekly Financial Statistics

For latest Weekly Financial Statistics see www.bankofcanada.ca

2010 BC Apprenticeship Student Outcomes Survey Summary Report

The 2010 Apprenticeship Student Outcomes (APPSO) Survey was conducted with former students who completed the final year of their apprenticeship training in a B.C. post-secondary institution between July 1, 2008 and June 30, 2009. Approximately six months later, from January to April of 2010, 2,750 former students from 29 institutions (14 public and 15 private) participated in survey telephone interviews - the gross response rate was 56 percent. For more information on BC Student Outcomes, visit BC Student Outcomes

http://outcomes.bcstats.gov.bc.ca/Libraries/APPSO_Reports/2010_Apprenticeship_Report_pdf.pdf

File Finder

BC Stats has created a powerful new tool to find small area data on the web site. Users can filter on an area type or a specific location, time period, product, and subject. The File Finder app is still very much under development and only a few products have been linked into it as yet, but it is already quite useful so we decided to share it with you and ask you to help guide its further development. File Finder locates data files. If you are looking to search through our articles use the top bar tab called Analytical Reports.

http://www.bcstats.gov.bc.ca/filefinder.asp

Canada Votes – Know Your Riding

On May 2nd Canadians went to the polls. Our Federal Electoral District profiles will help you to understand the characteristics that define your constituency.

http://www.bcstats.gov.bc.ca/data/cen06/profiles/detailed/ch_fed.asp

Released this week by BC Stats

- Exports, March 2011

Next week

- Tourism Sector Monitor, April 2011
- Consumer Price Index, April 2011

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